

## AN ACT

2 To repeal sections 115.124, 160.415, 162.261,  
3 162.431, 162.601, 162.680, 162.700, 162.962,  
4 165.011, 165.016, 168.110, 172.273, 177.086,  
5 324.245, and 393.310, RSMo, and to enact in  
6 lieu thereof seventeen new sections relating  
7 to education, with an emergency clause for  
8 certain sections.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,  
AS FOLLOWS:

Section A. Sections 115.124, 160.415, 162.261, 162.431, 162.601, 162.680, 162.700, 162.962, 165.011, 165.016, 168.110, 172.273, 177.086, 324.245, and 393.310, RSMo, are repealed and seventeen new sections enacted in lieu thereof, to be known as sections 115.124, 160.415, 162.261, 162.431, 162.601, 162.680, 162.700, 162.962, 162.1180, 165.011, 165.016, 168.110, 172.273, 177.086, 324.245, 393.310, and 1, to read as follows:

115.124. 1. Notwithstanding any other law to the contrary,  
in a nonpartisan election in any political subdivision or special  
district except for municipal[,] and board of trustees of

1 community college districts [and school board] elections, if the  
2 notice provided for in subsection 5 of section 115.127 has been  
3 published in at least one newspaper of general circulation in the  
4 district, and if the number of candidates who have filed for a  
5 particular office is equal to the number of positions in that  
6 office to be filled by the election, no election shall be held  
7 for such office, and the candidates shall assume the  
8 responsibilities of their offices at the same time and in the  
9 same manner as if they had been elected. Notwithstanding any  
10 other provision of law to the contrary, if at any election the  
11 number of candidates filing for a particular office exceeds the  
12 number of positions to be filled at such election, the election  
13 authority shall hold the election as scheduled, even if a  
14 sufficient number of candidates withdraw from such contest for  
15 that office so that the number of candidates remaining after the  
16 filing deadline is equal to the number of positions to be filled.

17 2. The election authority or political subdivision  
18 responsible for the oversight of the filing of candidates in any  
19 nonpartisan election in any political subdivision or special  
20 district shall clearly designate where candidates shall form a  
21 line to effectuate such filings and determine the order of such  
22 filings; except that, in the case of candidates who file a  
23 declaration of candidacy with the election authority or political  
24 subdivision prior to 5:00 p.m. on the first day for filing, the

1 election authority or political subdivision may determine by  
2 random drawing the order in which such candidates' names shall  
3 appear on the ballot. If a drawing is conducted pursuant to this  
4 subsection, it shall be conducted so that each candidate may draw  
5 a number at random at the time of filing. If such drawing is  
6 conducted, the election authority or political subdivision shall  
7 record the number drawn with the candidate's declaration of  
8 candidacy. If such drawing is conducted, the names of candidates  
9 filing on the first day of filing for each office on each ballot  
10 shall be listed in ascending order of the numbers so drawn.

11 160.415. 1. For the purposes of calculation and  
12 distribution of state school aid under section 163.031, RSMo,  
13 pupils enrolled in a charter school shall be included in the  
14 pupil enrollment of the school district within which each pupil  
15 resides. Each charter school shall report the names, addresses,  
16 and eligibility for free or reduced-price lunch or other  
17 categorical aid, of pupils resident in a school district who are  
18 enrolled in the charter school to the school district in which  
19 those pupils reside and to the state department of elementary and  
20 secondary education. Each charter school shall promptly notify  
21 the state department of elementary and secondary education and  
22 the pupil's school district when a student discontinues  
23 enrollment at a charter school.

24 2. (1) A school district having one or more resident

1 pupils attending a charter school shall pay to the charter school  
2 an annual amount equal to the product of the equalized, adjusted  
3 operating levy for school purposes for the pupils' district of  
4 residence for the current year times the guaranteed tax base per  
5 eligible pupil, as defined in section 163.011, RSMo, times the  
6 number of the district's resident pupils attending the charter  
7 school plus all other state aid attributable to such pupils,  
8 including summer school, if applicable, and all aid provided  
9 pursuant to section 163.031, RSMo.

10 (2) The district of residence of a pupil attending a  
11 charter school shall also pay to the charter school any other  
12 federal or state aid that the district receives on account of  
13 such child.

14 (3) The amounts provided pursuant to this subsection shall  
15 be prorated for partial year enrollment for a pupil.

16 (4) A school district shall pay the amounts due pursuant to  
17 this subsection as the disbursal agent and no later than twenty  
18 days following receipt of any such funds.

19 [(5) The per-pupil amount paid by a school district to a  
20 charter school shall be reduced by the amount per pupil  
21 determined by the state board of education to be needed by the  
22 district in the current year for repayment of leasehold revenue  
23 bonds obligated pursuant to a federal court desegregation  
24 action.]

1           3. If a school district fails to make timely payments of  
2 any amount for which it is the disbursal agent, the state  
3 department of elementary and secondary education shall authorize  
4 payment to the charter school of the amount due pursuant to  
5 subsection 2 of this section and shall deduct the same amount  
6 from the next state school aid apportionment to the owing school  
7 district. If a charter school is paid more or less than the  
8 amounts due pursuant to subsection 2 of this section, the amount  
9 of overpayment or underpayment shall be adjusted in its next  
10 payment by the school district or the department of elementary  
11 and secondary education, as appropriate. Any dispute between the  
12 school district and a charter school as to the amount owing to  
13 the charter school shall be resolved by the department of  
14 elementary and secondary education, and the department's decision  
15 shall be the final administrative action for the purposes of  
16 review pursuant to chapter 536, RSMo.

17           4. The charter school and a local school board may agree by  
18 contract for services to be provided by the school district to  
19 the charter school. The charter school may contract with any  
20 other entity for services. Such services may include but are not  
21 limited to food service, custodial service, maintenance,  
22 management assistance, curriculum assistance, media services and  
23 libraries and shall be subject to negotiation between the charter  
24 school and the local school board or other entity. Documented

1 actual costs of such services shall be paid for by the charter  
2 school.

3 5. A charter school may enter into contracts with community  
4 partnerships and state agencies acting in collaboration with such  
5 partnerships that provide services to children and their families  
6 linked to the school.

7 6. A charter school shall be eligible for transportation  
8 state aid pursuant to section 163.161, RSMo, and shall be free to  
9 contract with the local district, or any other entity, for the  
10 provision of transportation to the students of the charter  
11 school.

12 7. (1) The proportionate share of state and federal  
13 resources generated by students with disabilities or staff  
14 serving them shall be paid in full to charter schools enrolling  
15 those students by their school district where such enrollment is  
16 through a contract for services described in this section. The  
17 proportionate share of money generated under other federal or  
18 state categorical aid programs shall be directed to charter  
19 schools serving such students eligible for that aid.

20 (2) A charter school district shall provide the special  
21 services provided pursuant to section 162.705, RSMo, and may  
22 provide the special services pursuant to a contract with a school  
23 district or any provider of such services.

24 8. A charter school may not charge tuition, nor may it

1 impose fees that a school district is prohibited from imposing.

2 9. A charter school is authorized to incur debt in  
3 anticipation of receipt of funds. A charter school may also  
4 borrow to finance facilities and other capital items. A school  
5 district may incur bonded indebtedness or take other measures to  
6 provide for physical facilities and other capital items for  
7 charter schools that it sponsors or contracts with. Upon the  
8 dissolution of a charter school, any liabilities of the  
9 corporation will be satisfied through the procedures of chapter  
10 355, RSMo.

11 10. Charter schools shall not have the power to acquire  
12 property by eminent domain.

13 11. The governing body of a charter school is authorized to  
14 accept grants, gifts or donations of any kind and to expend or  
15 use such grants, gifts or donations. A grant, gift or donation  
16 may not be accepted by the governing body if it is subject to any  
17 condition contrary to law applicable to the charter school or  
18 other public schools, or contrary to the terms of the charter.

19 162.261. 1. The government and control of a seven-director  
20 school district, other than an urban district, is vested in a  
21 board of education of seven members, who hold their office for  
22 three years, except as provided in section 162.241, and until  
23 their successors are duly elected and qualified. Any vacancy  
24 occurring in the board shall be filled by the remaining members

1 of the board; except that if there are more than two vacancies at  
2 any one time, the county commission upon receiving written notice  
3 of the vacancies shall fill the vacancies by appointment. The  
4 person appointed shall hold office until the next municipal  
5 election, when a director shall be elected for the unexpired  
6 term.

7 2. No seven-director, urban, or metropolitan school  
8 district board of education shall hire a spouse of any member of  
9 such board for a vacant or newly created position unless the  
10 position has been advertised pursuant to board policy and the  
11 superintendent of schools submits a written recommendation for  
12 the employment of the spouse to the board of education. The  
13 names of all applicants as well as the name of the applicant  
14 hired for the position are to be included in the board minutes.

15 162.431. 1. When it is necessary to change the boundary  
16 lines between seven-director school districts, in each district  
17 affected, ten percent of the voters by number of those voting for  
18 school board members in the last annual school election in each  
19 district, may petition the district boards of education in the  
20 districts affected, regardless of county lines, for a change in  
21 boundaries. The question shall be submitted at the next general  
22 municipal election.

23 2. The voters shall decide the question by a majority vote  
24 of those who vote upon the question. If assent to the change is



1 given by each of the various districts voting, each voting  
2 separately, the boundaries are changed from that date.

3 3. If one of the districts votes against the change and the  
4 other votes for the change, the matter may be appealed to the  
5 state board of education, in writing, within fifteen days of the  
6 submission of the question by either one of the districts  
7 affected, or in the above event by a majority of the signers of  
8 the petition requesting a vote on the proposal. At the first  
9 meeting of the state board following the appeal, a board of  
10 arbitration composed of three members, none of whom shall be a  
11 resident of any district affected, shall be appointed. In  
12 determining whether it is necessary to change the boundary line  
13 between seven-director districts, the board of arbitration shall  
14 base its decision upon the following:

15 (1) The presence of school aged children in the affected  
16 area;

17 (2) The presence of actual educational harm to school-aged  
18 children, either due to a significant difference in the time  
19 involved in transporting students or educational deficiencies in  
20 the district which would have its boundary adversely affected;  
21 and

22 (3) The presence of an educational necessity, not of a  
23 commercial benefit to landowners or to the district benefitting  
24 for the proposed boundary adjustment.

1           4. Within twenty days after notification of appointment,  
2 the board of arbitration shall meet and consider the necessity  
3 for the proposed changes and shall decide whether the boundaries  
4 shall be changed as requested in the petition or be left  
5 unchanged, which decision shall be final. The decision by the  
6 board of arbitration shall be rendered not more than thirty days  
7 after the matter is referred to the board. The chairman of the  
8 board of arbitration shall transmit the decision to the secretary  
9 of each district affected who shall enter the same upon the  
10 records of his district and the boundaries shall thereafter be in  
11 accordance with the decision of the board of arbitration. The  
12 members of the board of arbitration shall be allowed a fee of  
13 fifty dollars each, to be paid at the time the appeal is made by  
14 the district taking the appeal or by the petitioners should they  
15 institute the appeal.

16           5. If the board of arbitration decides that the boundaries  
17 shall be left unchanged, no new petition for the same, or  
18 substantially the same, boundary change between the same  
19 districts shall be filed until after the expiration of two years  
20 from the date of the municipal election at which the question was  
21 submitted to the voters of the districts.

22           162.601. 1. Elected members of the board in office on  
23 August 28, 1998, shall hold office for the length of term for  
24 which they were elected, and any members appointed pursuant to

1 section 162.611 to fill vacancies left by elected members in  
2 office on August 28, 1998, shall serve for the remainder of the  
3 term to which the replaced member was elected.

4 2. No board members shall be elected at the first municipal  
5 election in an odd-numbered year next following August 28, 1998.

6 3. Three board members shall be elected at the second  
7 municipal election in an odd-numbered year next following August  
8 28, 1998, to serve four-year terms.

9 4. Four board members shall be elected at the third  
10 municipal election in an odd-numbered year next following August  
11 28, 1998, and two of such members shall be elected to four-year  
12 terms and two of such members shall be elected to three-year  
13 terms.

14 5. Beginning with the fourth municipal election in an  
15 odd-numbered year next following August 28, 1998, and at each  
16 succeeding municipal election in a year during which board member  
17 terms expire, there shall be elected members of the board of  
18 education, who shall assume the duties of their office at the  
19 first regular meeting of the board of education after their  
20 election, and who shall hold office for four years, and until  
21 their successors are elected and qualified.

22 6. Members of the board of directors shall be elected to  
23 represent seven subdistricts. The subdistricts shall be  
24 established by the state board of education to be compact,

1 contiguous and as nearly equal in population as practicable. The  
2 subdistricts shall be revised by the state board of education  
3 after each decennial census and at any other time the state board  
4 determines that the district's demographics have changed  
5 sufficiently to warrant redistricting.

6 7. A member shall reside in and be elected in the  
7 subdistrict which the member is elected to represent.

8 Subdistrict 1 shall be comprised of wards 1, 2, 22 and 27.

9 Subdistrict 2 shall be comprised of wards 3, 4, 5 and 21.

10 Subdistrict 3 shall be comprised of wards 18, 19, 20 and 26.

11 Subdistrict 4 shall be comprised of wards 6, 7, 17 and 28.

12 Subdistrict 5 shall be comprised of wards 9, 10, 11 and 12.

13 Subdistrict 6 shall be comprised of wards 13, 14, 16 and 25.

14 Subdistrict 7 shall be comprised of wards 8, 15, 23 and 24.

15 [8. No one may run for school board who is employed by the  
16 school district or who is related to an employee of the school  
17 district within the second degree of affinity or consanguinity.]

18 162.680. 1. No child may be denied services provided by  
19 sections 162.670 to [162.995] 162.999 because of such child's  
20 disabling condition.

21 2. To the maximum extent appropriate, disabled and severely  
22 disabled children shall be educated along with children who do  
23 not have disabilities and shall attend regular classes, except  
24 that in the case of a disability resulting in violent behavior

1       which causes a substantial likelihood of injury to the student or  
2       others, the school district shall initiate procedures consistent  
3       with state and federal law to remove the child to a more  
4       appropriate placement. [Impediments to learning and to the  
5       normal functioning of such children in the regular school  
6       environment shall be overcome whenever practicable by the  
7       provision of special aids and services rather than by separate  
8       schooling for the disabled.] Special classes, separate  
9       schooling, or other removal of children with disabilities from  
10      the regular educational environment shall occur only when the  
11      nature or severity of the disability of a child is such that  
12      education in regular classes with the use of supplementary aids  
13      and services cannot be achieved satisfactorily.

14           162.700. 1. The board of education of each school district  
15      in this state, except school districts which are part of a  
16      special school district, and the board of education of each  
17      special school district shall provide special educational  
18      services for handicapped children three years of age or more  
19      residing in the district as required by P.L. 99-457, as codified  
20      and as may be amended. Any child, determined to be handicapped,  
21      shall be eligible for such services upon reaching his or her  
22      third birthday and state school funds shall be apportioned  
23      accordingly. This subsection shall apply to each full school  
24      year beginning on or after July 1, 1991. In the event that

1 federal funding fails to be appropriated at the authorized level  
2 as described in 20 U.S.C. 1419(b)(2), the implementation of this  
3 subsection relating to services for handicapped children three  
4 and four years of age may be delayed until such time as funds are  
5 appropriated to meet such level. Each local school district and  
6 each special school district shall be responsible to engage in a  
7 planning process to design the service delivery system necessary  
8 to provide special education and related services for children  
9 three and four years of age with handicaps. The planning process  
10 [may] shall include public, private and private not-for-profit  
11 agencies which have provided such services for this population.  
12 The school district, or school districts, or special school  
13 district, shall be responsible for designing an efficient service  
14 delivery system which uses the present resources of the local  
15 community which may be funded by the department of elementary and  
16 secondary education or the department of mental health. School  
17 districts may coordinate with public, private and private  
18 not-for-profit agencies presently in existence. The service  
19 delivery system shall be consistent with the requirements of the  
20 department of elementary and secondary education to provide  
21 appropriate special education services in the least restrictive  
22 environment.

23 2. Every local school district or, if a special district is  
24 in operation, every special school district shall obtain current

1 appropriate [diagnostic] reports for each handicapped child prior  
2 to assignment in a special program. With parental permission  
3 these records may be obtained [with parental permission] from  
4 previous medical or psychological evaluation, [may be] provided  
5 by competent personnel of such district or special district, or  
6 [may be] secured by such district from competent and qualified  
7 medical, psychological or other professional personnel. Any  
8 outside evaluation information furnished by the parent shall be  
9 considered by the team in the initial eligibility team meeting  
10 and the initial Individualized Education Program team meeting for  
11 children transitioning into Part B of the Individuals with  
12 Disabilities Education Act program.

13 3. Where special districts have been formed to serve  
14 handicapped children under the provisions of sections 162.670 to  
15 162.995, such children shall be educated in programs of the  
16 special district, except that component districts may provide  
17 education programs for handicapped children ages three and four  
18 inclusive in accordance with regulations and standards adopted by  
19 the state board of education.

20 4. For the purposes of this act, remedial reading programs  
21 are not a special education service as defined by subdivision (4)  
22 of section 162.675 but shall be funded in accordance with the  
23 provisions of section 162.975.

24 5. Any and all state costs required to fund special

1 education services for three- and four-year-old children pursuant  
2 to this section shall be provided for by a specific, separate  
3 appropriation and shall not be funded by a reallocation of money  
4 appropriated for the public school foundation program.

5 6. School districts providing early childhood special  
6 education shall give preference when developing an individualized  
7 education program for a student who had received services  
8 pursuant to Part C of the Individuals With Disabilities Education  
9 Act, to continue services with the student's Part C provider[,  
10 unless this would result in a cost which exceeds the average cost  
11 per student in early childhood special education for the district  
12 responsible for educating the student]. Services provided shall  
13 be only those permissible according to Section 619 of the  
14 Individuals with Disabilities Education Act. The preference of  
15 the parent to continue services with the child's Part C provider  
16 shall be given weight by the team preparing the child's  
17 individualized education program. A school district may require  
18 that the charges or reimbursement claims for services made by a  
19 Part C provider not exceed what it would cost the district to  
20 provide the same services. A school district may allow a Part C  
21 provider to charge more for services than it would cost the  
22 district to provide the same services, if continuing services  
23 with the Part C provider is determined to be in the best interest  
24 of the child. Prior to terminating services provided by a Part C



1 provider to a student because of a determination that the Part C  
2 provider cannot supply the same service at the same or less cost  
3 than the district, a school district shall give that Part C  
4 provider an opportunity to adjust its charges or reimbursement  
5 claims to comply with the charges or reimbursement claims that  
6 the district has determined are appropriate. School districts  
7 providing early childhood education services shall provide to the  
8 parent cost and service description data on each such service.

9         7. Any rule or portion of a rule, as that term is defined  
10 in section 536.010, RSMo, that is created under the authority  
11 delegated in this section shall become effective only if it  
12 complies with and is subject to all of the provisions of chapter  
13 536, RSMo, and, if applicable, section 536.028, RSMo. This  
14 section and chapter 536, RSMo, are nonseverable and if any of the  
15 powers vested with the general assembly pursuant to chapter 536,  
16 RSMo, to review, to delay the effective date or to disapprove and  
17 annul a rule are subsequently held unconstitutional, then the  
18 grant of rulemaking authority and any rule proposed or adopted  
19 after August 28, 2002, shall be invalid and void.

20         162.962. In a case where review of the hearing panel's  
21 decision is sought by a school district or a parent or guardian,  
22 either party may appeal as follows:

23         (1) The court shall hear the case without a jury [and  
24 except as otherwise provided in subsection 4 of section 536.140,

1 RSMo, shall hear it upon the petition and record filed as  
2 provided in sections 162.950 to 162.961;

3 (2) The inquiry may extend to a determination of whether  
4 the action of the agency:

5 (a) Is in violation of constitutional provisions;

6 (b) Is unsupported by competent and substantial evidence  
7 upon the entire record;

8 (c) Is made upon unlawful procedure or without a fair  
9 trial;

10 (d) Is arbitrary, capricious, or unreasonable; or

11 (e) Involves an abuse of discretion.] and shall:

12 (a) Receive the records of the administrative proceedings;

13 (b) Hear additional evidence at the request of a party; and

14 (c) Grant the relief that the court determines to be  
15 appropriate, basing its decision on the preponderance of the  
16 evidence;

17 (2) Appeals may be taken from the judgment of the court as  
18 in other civil cases;

19 (3) Judicial review of the hearing panel's decision may be  
20 instituted by filing a petition in a state or federal court of  
21 competent jurisdiction. Appeals to state court shall be filed  
22 within forty-five days after the receipt of the notice of the  
23 agency's final decision;

24 (4) Except when provided otherwise within this chapter or

1 Part 300 of Title 34 of the Code of Federal Regulations, the  
2 provisions of chapter 536, RSMo, are applicable to special  
3 education due process hearings and appeal of same.

4 162.1180. 1. Any public school district or districts may  
5 designate an educational service agency, as defined in 20 U.S.C.  
6 Section 7801, for the purpose of developing, managing, and  
7 providing instructional services or programs to the participating  
8 school district or districts.

9 2. The educational service agency shall be designated by  
10 contract which is to be authorized by the board of education of  
11 the participating district and shall operate pursuant to  
12 standards adopted by the state board of education.

13 3. An educational service agency shall be organized as a  
14 nonprofit corporation as provided pursuant to chapter 355, RSMo,  
15 with the method of selection of officers to be governed by  
16 section 355.326, RSMo.

17 4. An educational service agency shall be considered a  
18 political subdivision of the state as defined in section 105.450,  
19 RSMo, with the governing board and employees subject to the  
20 conflict of interest prohibitions provided in chapter 105, RSMo.

21 5. All meetings of the governing board of the educational  
22 service agency shall be subject to the provisions of sections  
23 610.010 to 610.035, RSMo.

24 6. Nothing in this section shall relieve a participating

1 school district from the responsibility of providing the  
2 instructional service or program which it has contracted for  
3 through an educational service agency.

4       165.011. 1. The following funds are created for the  
5 accounting of all school moneys: teachers' fund, incidental  
6 fund, free textbook fund, capital projects fund and debt service  
7 fund. The treasurer of the school district shall open an account  
8 for each fund specified in this section, and all moneys received  
9 from the county school fund and all moneys derived from taxation  
10 for teachers' wages shall be placed to the credit of the  
11 teachers' fund. All tuition fees, state moneys received under  
12 sections 162.975, RSMo, and 163.031, RSMo, and all other moneys  
13 received from the state except as herein provided shall be placed  
14 to the credit of the teachers' and incidental funds at the  
15 discretion of the district board of education. The portion of  
16 state aid received by the district pursuant to section 163.031,  
17 RSMo, based upon the portion of the tax rate in the debt service  
18 or capital projects fund, respectively, which is included in the  
19 operating levy for school purposes pursuant to section 163.011,  
20 RSMo, shall be placed to the credit of the debt service fund or  
21 capital projects fund, respectively. Money received from other  
22 districts for transportation and money derived from taxation for  
23 incidental expenses shall be credited to the incidental fund.  
24 Money apportioned for free textbooks shall be credited to the

1 free textbook fund. All money derived from taxation or received  
2 from any other source for the erection of buildings or additions  
3 thereto and the remodeling or reconstruction of buildings and the  
4 furnishing thereof, for the payment of lease-purchase  
5 obligations, for the purchase of real estate, or from sale of  
6 real estate, schoolhouses or other buildings of any kind, or  
7 school furniture, from insurance, from sale of bonds other than  
8 refunding bonds shall be placed to the credit of the capital  
9 projects fund. All moneys derived from the sale or lease of  
10 sites, buildings, facilities, furnishings and equipment by a  
11 school district as authorized under section 177.088, RSMo, shall  
12 be credited to the capital projects fund. Money derived from  
13 taxation for the retirement of bonds and the payment of interest  
14 thereon shall be credited to the debt service fund which shall be  
15 maintained as a separate bank account. Receipts from delinquent  
16 taxes shall be allocated to the several funds on the same basis  
17 as receipts from current taxes, except that where the previous  
18 years' obligations of the district would be affected by such  
19 distribution, the delinquent taxes shall be distributed according  
20 to the tax levies made for the years in which the obligations  
21 were incurred. All refunds received shall be placed to the  
22 credit of the fund from which the original expenditures were  
23 made. Money donated to the school districts shall be placed to  
24 the credit of the fund where it can be expended to meet the

1 purpose for which it was donated and accepted. Money received  
2 from any other source whatsoever shall be placed to the credit of  
3 the fund or funds designated by the board.

4 2. [(1)] The school board may expend from the incidental  
5 fund the sum that is necessary for the ordinary repairs of school  
6 property and an amount not to exceed the sum of expenditures for  
7 classroom instructional capital outlay, as defined by the  
8 department of elementary and secondary education by rule, in  
9 state-approved area vocational-technical schools and the greater  
10 of twenty-five percent of the guaranteed tax base for the  
11 preceding year or two and one-fourth percent of the district's  
12 entitlement for the preceding school year as established pursuant  
13 to line 1 of subsection 6 of section 163.031, RSMo, as of June  
14 thirtieth of the preceding school year for classroom  
15 instructional capital outlay, including but not limited to  
16 payments authorized pursuant to section 177.088, RSMo. Any and  
17 all payments authorized under section 177.088, RSMo, except as  
18 otherwise provided in this subsection, for the purchase or lease  
19 of sites, buildings, facilities, furnishings and equipment and  
20 all other expenditures for capital outlay shall be made from the  
21 capital projects fund. If a balance remains in the free textbook  
22 fund after books are furnished to pupils as provided in section  
23 170.051, RSMo, it shall be transferred to the teachers' fund.  
24 The board may transfer the portion of the balance remaining in

1 the incidental fund to the teachers' fund that is necessary for  
2 the total payment of all contracted obligations to teachers. If  
3 a balance remains in the debt service fund, after the total  
4 outstanding indebtedness for which the fund was levied is paid,  
5 the board may transfer the unexpended balance to the capital  
6 projects fund. If a balance remains in the bond proceeds after  
7 completion of the project for which the bonds were issued, the  
8 balance shall be transferred from the incidental or capital  
9 projects fund to the debt service fund. After making all  
10 placements of interest otherwise provided by law, a school  
11 district may transfer from the capital projects fund to the  
12 incidental fund the interest earned from undesignated balances in  
13 the capital projects fund. All other sections of the law  
14 notwithstanding, a school district may transfer from the  
15 incidental fund to the capital projects fund an amount equal to  
16 the capital expenditures for school safety and security purposes.  
17 A school district may borrow from one of the following funds:  
18 teachers' fund, incidental fund or capital projects fund, as  
19 necessary to meet obligations in another of those funds; provided  
20 that the full amount is repaid to the lending fund within the  
21 same fiscal year.

22 [(2) No school district shall make any expenditure for any  
23 lease purchase obligation authorized pursuant to section 177.088,  
24 RSMo, and incurred on or after January 1, 1997, from the

1 district's capital projects fund unless the district levies, in  
2 the current year, a tax rate in the capital projects fund which  
3 is sufficient to generate revenues equal to or greater than the  
4 amount of such expenditure and collects such revenues and credits  
5 such revenues to the capital projects fund. For the purposes of  
6 subsection 8 of this section, any expenditure made in violation  
7 of this subdivision shall be considered a transfer of funds  
8 performed in violation of this section and that amount shall be  
9 deducted from the school district's state aid calculated pursuant  
10 to section 163.031, RSMo, in the school year following the year  
11 such expenditure is made.]

12 3. Tuition shall be paid from either the teachers' or  
13 incidental funds.

14 4. Other provisions of law to the contrary notwithstanding,  
15 the school board of a school district that satisfies the criteria  
16 specified in subsection 5 of this section may transfer from the  
17 incidental fund to the capital projects fund the sum of:

18 (1) The amount to be expended for transportation equipment  
19 that is considered an allowable cost under state board of  
20 education rules for transportation reimbursements during the  
21 current year; plus

22 (2) Any amount necessary to satisfy obligations of the  
23 capital projects fund for state-approved area  
24 vocational-technical schools; plus



1           (3) An amount not to exceed the greater of:

2           (a) The guaranteed tax base for the preceding year; or

3           (b) Nine percent of the district's entitlement for the  
4 preceding school year as established pursuant to line 1 of  
5 subsection 6 of section 163.031, RSMo, as of June thirtieth of  
6 the preceding school year, less any amount expended from the  
7 incidental fund for classroom instructional capital outlay  
8 pursuant to subsection 2 of this section; provided that transfer  
9 amounts authorized pursuant to this subdivision may only be  
10 transferred by a resolution of the school board approved by a  
11 majority of the board members in office when the resolution is  
12 voted upon and identifying the specific capital projects to be  
13 funded directly by the district by the transferred funds and an  
14 estimated expenditure date; and provided that if a district did  
15 not maintain compliance with the requirements of section 165.016  
16 the preceding year without recourse to a waiver for that year or  
17 a base year adjustment received that year or a fund balance  
18 exclusion unless the fund balance exclusion had also been used  
19 the second preceding year, the transfer amount pursuant to this  
20 subdivision may be transferred only to the extent required to  
21 meet current year obligations of the capital projects fund.

22           5. In order to transfer funds pursuant to subsection 4 of  
23 this section, a school district shall:

24           (1) Meet the minimum criteria for state aid and for

1 increases in state aid for the current year established pursuant  
2 to section 163.021, RSMo;

3 (2) Not incur a total debt, including short-term debt and  
4 bonded indebtedness in excess of fifteen percent of the  
5 guaranteed tax base for the preceding payment year multiplied by  
6 the number of resident and nonresident eligible pupils educated  
7 in the district in the preceding year;

8 (3) Set tax rates pursuant to section 164.011, RSMo;

9 (4) First apply any voluntary rollbacks or reductions to  
10 the total tax rate levied to the teachers' and incidental funds;

11 (5) In order to be eligible to transfer funds for paying  
12 lease purchase obligations:

13 (a) Incur such obligations, except for obligations for  
14 lease purchase for school buses, prior to January 1, 1997;

15 (b) Limit the term of such obligations to no more than  
16 twenty years;

17 (c) Limit annual installment payments on such obligations  
18 to an amount no greater than the amount of the payment for the  
19 first full year of the obligation, including all payments of  
20 principal and interest, except that the amount of the final  
21 payment shall be limited to an amount no greater than two times  
22 the amount of such first-year payment;

23 (d) Limit such payments to leasing nonathletic, classroom,  
24 instructional facilities as defined by the state board of

1 education through rule; and

2 (e) Not offer instruction at a higher grade level than was  
3 offered by the district on July 12, 1994.

4 6. A school district shall be eligible to transfer funds  
5 pursuant to subsection 7 of this section if:

6 (1) Prior to August 28, 1993:

7 (a) The school district incurred an obligation for the  
8 purpose of funding payments under a lease purchase contract  
9 authorized under section 177.088, RSMo;

10 (b) The school district notified the appropriate local  
11 election official to place an issue before the voters of the  
12 district for the purpose of funding payments under a lease  
13 purchase contract authorized under section 177.088, RSMo; or

14 (c) An issue for funding payments under a lease purchase  
15 contract authorized under section 177.088, RSMo, was approved by  
16 the voters of the district; or

17 (2) Prior to November 1, 1993, a school board adopted a  
18 resolution authorizing an action necessary to comply with  
19 subsection 9 of section 177.088, RSMo. Any increase in the  
20 operating levy of a district above the 1993 tax rate resulting  
21 from passage of an issue described in paragraph (b) of  
22 subdivision (1) of this subsection shall be considered as part of  
23 the 1993 tax rate for the purposes of subsection 1 of section  
24 164.011, RSMo.

1           7. Prior to transferring funds pursuant to subsection 4 of  
2 this section, a school district may transfer, pursuant to this  
3 subsection, from the incidental fund to the capital projects fund  
4 an amount as necessary to satisfy an obligation of the capital  
5 projects fund that satisfies at least one of the conditions  
6 specified in subsection 6 of this section, but not to exceed its  
7 payments authorized under section 177.088, RSMo, for the purchase  
8 or lease of sites, buildings, facilities, furnishings, equipment,  
9 and all other expenditures for capital outlay, plus the amount to  
10 be expended for transportation equipment that is considered an  
11 allowable cost under state board of education rules for  
12 transportation reimbursements during the current year plus any  
13 amount necessary to satisfy obligations of the capital projects  
14 fund for state-approved area vocational-technical schools. A  
15 school district [with a levy for school purposes no greater than  
16 the minimum levy specified in section 163.021, RSMo, and an  
17 obligation in the capital projects fund that satisfies at least  
18 one of the conditions specified in subsection 6 of this section]  
19 that is in compliance with section 165.016 during the second  
20 preceding year or has paid all penalties for the second preceding  
21 year, may transfer from the incidental fund to the capital  
22 projects fund the amount necessary to meet the obligation plus  
23 the transfers pursuant to subsection 4 of this section.

24           8. Beginning in the 1995-96 school year, the department of

1 elementary and secondary education shall deduct from a school  
2 district's state aid calculated pursuant to section 163.031,  
3 RSMo, an amount equal to the amount of any transfer of funds from  
4 the incidental fund to the capital projects fund performed during  
5 the previous year in violation of this section; except that the  
6 state aid shall be deducted in equal amounts over the five school  
7 years following the school year of an unlawful transfer provided  
8 that:

9 (1) The district shall provide written notice to the state  
10 board of education, no later than June first of the first school  
11 year following the school year of the unlawful transfer, stating  
12 the district's intention to comply with the provisions of  
13 subdivisions (1) to (4) of this subsection and have state aid  
14 deducted for that unlawful transfer over a five-year period;

15 (2) On or before September first of the second school year  
16 following the school year of the unlawful transfer, the district  
17 shall approve an increase to the district's operating levy for  
18 school purposes to the greater of: two dollars and seventy-five  
19 cents per one hundred dollars assessed valuation or the levy  
20 which produces an increase in total state and local revenues, as  
21 determined by the department, in comparison to the first school  
22 year following the school year of the unlawful transfer which is  
23 equal to or greater than the amount of state aid to be deducted  
24 pursuant to this subsection each school year for such unlawful

1 transfer, provided that increases required pursuant to this  
2 subdivision for subsequent unlawful transfers shall be made in  
3 comparison to the latter tax rate described in this subdivision;

4 (3) During each school year after the school year in which  
5 the operating levy is increased pursuant to subdivision (2) of  
6 this subsection and in which state aid is deducted pursuant to  
7 subdivisions (1) to (4) of this subsection, the district shall  
8 maintain an operating levy for school purposes which produces  
9 total state and local revenues for the district which are no less  
10 than the total state and local revenues produced by the levy  
11 required pursuant to subdivision (2) of this subsection;

12 (4) During each school year state aid is deducted pursuant  
13 to subdivisions (1) to (4) of this subsection except for the  
14 1998-99 school year, the district shall maintain compliance with  
15 the requirements of section 165.016 without any recourse to  
16 waivers or base-year adjustments and without the option to  
17 demonstrate compliance based upon the district's fund balances;  
18 and

19 (5) If, in any school year state aid is deducted pursuant  
20 to subdivisions (1) to (4) of this subsection, the district fails  
21 to comply with any requirement of subdivisions (1) to (4) of this  
22 subsection, the full, remaining amount of state aid to be  
23 deducted pursuant to this subsection shall be deducted from the  
24 district's state aid payments by the department during such

1 school year.

2 9. On or before June 30, 1999, a school district may  
3 transfer to the capital projects fund from the balances of the  
4 teachers' and incidental funds any amount, but only to the extent  
5 that the amount transferred is equal to or less than the amount  
6 that the teachers' and incidental funds' unrestricted balances on  
7 June 30, 1995, exceeded eight percent of expenditures from the  
8 teachers' and incidental funds for the year ending June 30, 1995.

9 10. (1) Other provisions of law to the contrary  
10 notwithstanding, a school district which satisfies all conditions  
11 specified in subdivision (2) of this subsection may make the  
12 transfer allowed in subdivision (3) of this subsection.

13 (2) To make the transfer allowed under subdivision (3) of  
14 this subsection, a school district shall:

15 (a) Have a membership count for school year 1997-98 which  
16 is at least sixteen percent greater than the district's  
17 membership count for the 1991-92 school year; and

18 (b) Have passed a full waiver of Proposition C tax rate  
19 rollback pursuant to section 164.013, RSMo, or approved an  
20 increase to the district's tax rate ceiling on or after June 1,  
21 1994; and

22 (c) Be in compliance or have paid all penalties required  
23 pursuant to section 165.016 for the 1994-95, 1995-96 and 1996-97  
24 school years without waiver or adjustment of the base school year

1       certificated salary percentage; and

2               (d) After all transfers, have a remaining balance on June  
3       30, 1998, in the combined teachers' and incidental funds which is  
4       no less than ten percent of the combined expenditures from those  
5       funds for the 1997-98 school year.

6               (3) A district which satisfies all of the criteria  
7       specified in paragraphs (a) to (d) of subdivision (2) of this  
8       subsection may, on or before June 30, 1998, make a one-time  
9       combined transfer from the teachers' and incidental funds to the  
10      capital projects fund of an amount no greater than the sum of the  
11      following amounts:

12              (a) The product of the district's equalized assessed  
13      valuation for 1994 times the difference of the district's  
14      equalized operating levy for school purposes for 1994 minus the  
15      district's equalized operating levy for school purposes for 1993;

16              (b) The product of the district's equalized assessed  
17      valuation for 1995 times the difference of the district's  
18      equalized operating levy for school purposes for 1995 minus the  
19      district's equalized operating levy for school purposes for 1993;

20              (c) The product of the district's equalized assessed  
21      valuation for 1996 times the difference of the district's  
22      equalized operating levy for school purposes for 1996 minus the  
23      district's equalized operating levy for school purposes for 1993;

24              (d) The product of the district's equalized assessed



1 valuation for 1997 times the difference of the district's  
2 equalized operating levy for school purposes for 1997 minus the  
3 district's equalized operating levy for school purposes for 1993;  
4 provided that the remaining balance in the incidental fund shall  
5 be no less than twelve percent of the total expenditures during  
6 that fiscal year from the incidental fund.

7 (4) A district which makes a transfer pursuant to  
8 subdivision (3) of this subsection shall be subject to compliance  
9 with the requirements of section 165.016 for fiscal years 1999,  
10 2000 and 2001, without the option to request a waiver or an  
11 adjustment of the base school year certificated salary  
12 percentage.

13 (5) Other provisions of section 165.016 to the contrary  
14 notwithstanding, the transfer of an amount of funds from either  
15 the teachers' or incidental fund to the capital projects fund  
16 pursuant to subdivision (3) of this subsection shall not be  
17 considered an expenditure from the teachers' or incidental fund  
18 for the purpose of determining compliance with the provisions of  
19 subsections 1 and 2 of section 165.016.

20 11. In addition to other transfers authorized under  
21 subsections 1 to 9 of this section, a district may transfer from  
22 the teachers' and incidental funds to the capital projects fund  
23 the amount necessary to repay costs of one or more guaranteed  
24 energy savings performance contracts to renovate buildings in the

1 school district; provided that the contract is only for energy  
2 conservation measures, as defined in section 640.651, RSMo, and  
3 provided that the contract specifies that no payment or total of  
4 payments shall be required from the school district until at  
5 least an equal total amount of energy and energy-related  
6 operating savings and payments from the vendor pursuant to the  
7 contract have been realized by the school district.

8 12. In addition to other transfers authorized pursuant to  
9 subsections 1 to 9 of this section, any school district that has  
10 undergone at least a twenty-percent increase in assessed  
11 valuation from the preceding year because of the construction of  
12 a power plant may make a one-time transfer on the basis of each  
13 such increase, to the capital projects fund from the balances of  
14 the teachers' and incidental funds' unrestricted balances in an  
15 amount equal to twice the amount of such transfer otherwise  
16 permitted pursuant to this section for the year in which such  
17 one-time transfer is made; provided that such transfer shall be  
18 made prior to the end of the second fiscal year following the  
19 fiscal year in which the increase in assessed valuation is  
20 effective. Such one-time transfer may be made without regard to  
21 whether the transferred funds are used for current expenditures.  
22 No transfer shall be made pursuant to this subsection after June  
23 30, 2003.

24 13. A school district may transfer unrestricted funds from

1 the capital projects fund to the incidental fund in any year in  
2 which that year's June thirtieth combined incidental and teachers  
3 funds unrestricted balance compared to the combined incidental  
4 and teachers funds expenditures would be less than ten percent  
5 without such transfer.

6 14. School districts that have issued qualified zone  
7 academy bonds pursuant to 26 U.S.C. Section 1397E, also known as  
8 the Taxpayers Relief Act of 1997, prior to December 31, 2002, and  
9 have placed bond proceeds into an interest-bearing account in the  
10 capital projects fund without meeting the requirement to set a  
11 levy in the debt service fund as required in section 164.161,  
12 RSMo, shall be permitted to make transfers to the debt service  
13 fund in an amount up to but not exceeding the original amount of  
14 bond proceeds invested, under the following conditions:

15 (1) The district has an unrestricted balance in the capital  
16 projects fund equivalent to the original amount of bond proceeds  
17 invested that may be transferred to the debt service fund; or

18 (2) If the district does not have sufficient unrestricted  
19 funds in the capital projects fund pursuant to subdivision (1) of  
20 this subsection, then additional funds may be transferred from  
21 the incidental fund to the debt service fund up to the amount  
22 needed to equal the original amount of bond proceeds invested,  
23 but such transfer in combination with other district expenditures  
24 may not reduce the ending fund balance in the combined teachers'

1 and incidental funds below ten percent balance of the  
2 expenditures in those funds;

3 (3) If the transfers allowed pursuant to subdivisions (1)  
4 and (2) of this subsection are not sufficient to equal the  
5 original amount of bond proceeds invested, the district shall  
6 provide an annual tax in the debt service fund sufficient to  
7 generate the amount required within five years from the effective  
8 date of this section;

9 (4) The district shall report the following information as  
10 prescribed by the department of elementary and secondary  
11 education on the annual secretary of the board report required to  
12 be submitted pursuant to section 162.821, RSMo, for the fiscal  
13 year ending June 30, 2003:

14 (a) Documentation of the establishment of the local  
15 academy/business partnership and the ten percent business match  
16 for qualified zone academy bonds pursuant to 26 U.S.C. Section  
17 1397E;

18 (b) A detailed schedule of completed and planned  
19 expenditures for the projects as specified in the department-  
20 approved qualified zone academy bond application, identified by  
21 building with certification by the district that a minimum of  
22 ninety-five percent of the voter-approved qualified zone academy  
23 bonds will be expended within ten years from the date of the sale  
24 of bonds; and

1       (c) The business name, office location, state of  
2       incorporation, and names of any representative of the bonding  
3       institution and bond counsel, if applicable, who handled the  
4       qualified zone academy bond issuance, including all individuals  
5       who signed correspondence to or made presentations to the school  
6       district concerning such bonds; and providing the amount of fees  
7       or costs of issuance paid to the bonding institution and bond  
8       counsel stated as a whole dollar amount and as a percentage of  
9       the qualified zone academy bond;

10       (5) Any transfer made pursuant to subdivision (1) or (2) of  
11       this subsection shall be reported on the district's fiscal year  
12       2003 financial records;

13       (6) If the district fails to provide the information in the  
14       manner prescribed by the department on the annual secretary of  
15       the board report by December 31, 2003, the amount of unrestricted  
16       fund balance transferred into the debt service fund from the  
17       capital projects fund or incidental fund shall be returned to the  
18       original fund from which the transfer was made and an annual tax  
19       established in the debt service fund sufficient to pay the  
20       principal and interest of the bonds as they fall due.

21       15. On or before August 31, 2005, a school district located  
22       in a county of the third classification without a township form  
23       of government and with more than thirty-seven thousand two  
24       hundred but less than thirty-seven thousand three hundred

inhabitants and in a county of the third classification without a township form of government and with more than nine thousand four hundred fifty but less than nine thousand five hundred fifty inhabitants and a school district with an assessed valuation of no less than twenty-one million seven hundred fifty thousand dollars and no more than twenty-two million dollars located in a county of the third classification without a township form of government and with more than forty thousand eight hundred but less than forty thousand nine hundred inhabitants shall be permitted to make a one-time additional transfer from the incidental fund to the capital projects fund in an appropriate amount for the specific purpose of completing a sewer project in order to comply with regulations established by the department of natural resources.

16. On or before August 31, 2005, a school district with an assessed valuation of at least thirty-one million dollars and less than thirty-two million dollars located in a county of the third classification without a township form of government and with more than thirty-one thousand but less than thirty-one thousand one hundred inhabitants shall be permitted to make a one-time additional transfer from the incidental fund to the capital projects fund in an appropriate amount for the specific purpose of improving the library media and technology center that serves the district's high school and middle school.

1       17. In addition to other transfers authorized pursuant to  
2       this section, an eligible school district may transfer from the  
3       incidental fund to the capital projects fund to make expenditures  
4       which decrease the total interest cost of payments for a lease-  
5       purchase obligation authorized by section 177.088, RSMo. An  
6       eligible school district shall:

7       (1) Have never made a previous transfer pursuant to this  
8       subsection;

9       (2) Have ending cash reserves during the year of the  
10       transfer in incidental and teachers' funds combined equal to or  
11       greater than fifteen percent of expenditures;

12       (3) Decrease the interest cost of all remaining lease-  
13       purchase payments by at least the cost of refinancing plus ten  
14       percent;

15       (4) Make payments equal to or greater than the amount of  
16       the transfer for a lease-purchase obligation meeting an  
17       eligibility requirement of subsections 5 or 6 of this section;

18       (5) Levy in the incidental and teachers' funds a levy  
19       greater than two dollars and seventy-five cents during the year  
20       of the transfer and each of the two previous years;

21       (6) Demonstrate compliance with the requirements of section  
22       165.016 or have paid all outstanding penalties to eligible staff  
23       for five consecutive years prior to the year of the transfer; and

24       (7) Have an average salary for teachers in the district

1 which equals or exceeds for three consecutive years prior to the  
2 year of the transfer at least one of the following:

3 (a) The average salary for teachers statewide; or

4 (b) The average salary for teachers in its senatorial  
5 district.

6 165.016. 1. A school district shall expend as a percentage  
7 of current operating cost, for tuition, teacher retirement and  
8 compensation of certificated staff, a percentage that is for the  
9 1994-95 and 1995-96 school years, no less than three percentage  
10 points less than the base school year certificated salary  
11 percentage and for the 1996-97 school year, no less than two  
12 percentage points less than the base school year certificated  
13 salary percentage. A school district may exclude transportation  
14 and school safety and security expenditures from the current  
15 operating cost calculation of the base year and the year or years  
16 for which the compliance percentage is calculated. The base  
17 school year certificated salary percentage shall be the two-year  
18 average percentage of the 1991-92 and 1992-93 school years except  
19 as otherwise established by the state board under subsection 4 of  
20 this section; except that, for any school district experiencing,  
21 over a period of three consecutive years, an average yearly  
22 increase in average daily attendance of at least three percent,  
23 the base school year certificated salary percentage may be the  
24 two-year average percentage of the last two years of such period



1 of three consecutive years, at the discretion of the school  
2 district.

3 2. Beginning with the 1997-98 school year, a school  
4 district shall:

5 (1) Expend, as a percentage of current operating cost, as  
6 determined in subsection 1 of this section, for tuition, teacher  
7 retirement and compensation of certificated staff, a percentage  
8 that is no less than two percentage points less than the base  
9 school year certificated salary percentage; or

10 (2) For any year in which no payment of a penalty is  
11 required for the district under subsection 6 of this section,  
12 have an unrestricted fund balance in the combined incidental and  
13 teachers' funds on June thirtieth which is equal to or less than  
14 ten percent of the combined expenditures for the year from those  
15 funds.

16 3. Beginning with the 1999-2000 school year:

17 (1) As used in this subsection, "fiscal instructional ratio  
18 of efficiency" or "FIRE" means the quotient of the sum of the  
19 district's current operating costs, as defined in section  
20 163.011, RSMo, for all kindergarten through grade twelve direct  
21 instructional and direct pupil support service functions plus the  
22 costs of improvement of instruction and the cost of purchased  
23 services and supplies for operation of the facilities housing  
24 those programs, and excluding student activities, divided by the

1 sum of the district's current operating cost for kindergarten  
2 through grade twelve, plus all tuition revenue received from  
3 other districts minus all noncapital transportation and school  
4 safety and security costs;

5 (2) A school district shall show compliance with this  
6 section in school year 1998-99 and thereafter by the method  
7 described in subsections 1 and 2 of this section, or by  
8 maintaining or increasing its fiscal instructional ratio of  
9 efficiency compared to its FIRE for the 1997-98 base year.

10 4. (1) The state board of education may exempt a school  
11 district from the requirements of this section upon receiving a  
12 request for an exemption by a school district. The request shall  
13 show the reason or reasons for the noncompliance, and the  
14 exemption shall apply for only one school year. Requests for  
15 exemptions under this subdivision may be resubmitted in  
16 succeeding years;

17 (2) A school district may request of the state board a  
18 one-time, permanent revision of the base school year certificated  
19 salary percentage. The request shall show the reason or reasons  
20 for the revision.

21 5. Any school district requesting an exemption or revision  
22 under subsection 4 of this section must notify the certified  
23 staff of the district in writing of the district's intent. Prior  
24 to granting an exemption or revision, the state board shall

1 consider comments from certified staff of the district. The  
2 state board decision shall be final.

3 6. Any school district which is determined by the  
4 department to be in violation of the requirements of subsection 1  
5 or 2 of this section, or both, shall compensate the  
6 building-level administrative staff and nonadministrative  
7 certificated staff during the year following the notice of  
8 violation by an additional amount which is equal to one hundred  
9 ten percent of the amount necessary to bring the district into  
10 compliance with this section for the year of violation. In any  
11 year in which a penalty is paid, the district shall pay the  
12 penalty specified in this subsection in addition to the amount  
13 required under this section for the current school year.

14 7. Any additional transfers from the teachers' or  
15 incidental fund to the capital projects fund beyond the transfers  
16 authorized by state law and state board policy in effect on  
17 January 1, 1996, shall be considered expenditures from the  
18 teachers' or incidental fund for the purpose of determining  
19 compliance with the provisions of subsections 1, 2 and 3 of this  
20 section.

21 8. The provisions of this section shall not apply to any  
22 district receiving state aid pursuant to subsection 6 of section  
23 163.031, RSMo, based on its 1992-93 payment amount per eligible  
24 pupil, which is less than fifty percent of the statewide average

1 payment amount per eligible pupil paid during the previous year.

2 9. The provisions of subsections 1 to 8 of this section  
3 shall not apply to any district that has unrestricted fund  
4 balances in the combined incidental and teacher funds on June  
5 thirtieth of the preceding year which are equal to or less than  
6 seventeen percent of the combined expenditure for the preceding  
7 year from these funds in any year in which state funds  
8 distributed pursuant to section 163.031, RSMo, lines 1 to 10 plus  
9 line 14 are no more than ninety-six percent of such state funds  
10 distributed in fiscal year 2002.

11 10. The provisions of subsections 1 to 8 of this section  
12 shall not apply to any district which meets the following  
13 criteria:

14 (1) With ten percent or more of its assessed valuation that  
15 is owned by one person or corporation as commercial or personal  
16 property who is delinquent in a property tax payment;

17 (2) With unrestricted fund balances in the combined  
18 incidental and teacher funds on June thirtieth of the preceding  
19 year which are equal to or less than one half of the local  
20 property tax revenue for the previous year; and

21 (3) In any year in which state funds distributed pursuant  
22 to section 163.031, RSMo, lines 1 to 10 plus line 14 are no more  
23 than ninety-six percent of such state funds distributed in fiscal  
24 year 2002.

1           168.110. The board of education of a school district may  
2 modify an indefinite contract annually on or before the fifteenth  
3 day of May in the following particulars:

4           (1) Determination of the date of beginning and length of  
5 the next school year;

6           (2) Fixing the amount of annual compensation for the  
7 following school year as provided by the salary schedule adopted  
8 by the board of education applicable to all teachers. Districts  
9 may provide a salary that includes hiring incentives or salary  
10 schedule modifications to attract and retain teachers based upon  
11 demonstrated need for teachers certified in shortage areas.  
12 Districts may also provide such incentives or schedule  
13 modifications to attract and retain teachers with qualities,  
14 experience, or credentials that are exceptionally well suited to  
15 a district's needs for academic improvement. In exchange for  
16 such incentives, teachers may be required to teach in the  
17 district offering the incentive for a period of up to three  
18 school years. Districts shall have the decision-making authority  
19 on whether to provide these incentives and modifications within  
20 the limits of this section. The modifications shall be effective  
21 at the beginning of the next school year. All teachers affected  
22 by the modification shall be furnished written copies of the  
23 modifications within thirty days after their adoption by the  
24 board of education.

1           172.273. 1. The curators of the University of Missouri may  
2     establish research, development and office park projects, and  
3     other commercial developments, in order to promote cooperative  
4     relationships and to provide for shared resources between private  
5     individuals, companies and corporations, and the University of  
6     Missouri, for the advancement of the university in carrying out  
7     its educational mission and such projects are declared to be in  
8     furtherance of the purposes of the university.

9           2. The curators may, in connection with such projects,  
10    enter into written, mutually binding leases or agreements with  
11    individuals, businesses, corporations, and professional firms  
12    participating in the project for the purpose of expanding  
13    business and professional opportunities for students, faculty and  
14    graduates of the university and of the area it serves, and for  
15    making available to the university the resources and expertise of  
16    the business and professional entities participating in the  
17    project.

18          3. The curators may purchase necessary land and may  
19    purchase and construct or arrange for or permit the construction  
20    of any necessary facilities for such projects, may utilize the  
21    power of eminent domain, and may in any other manner acquire and  
22    accept in the name of the curators of the University of Missouri  
23    suitable land and facilities for such projects, and may enter  
24    into business arrangements, including long-term leases, for the

1 development thereof. The curators may also acquire options upon  
2 lands to be purchased. Lands and improvements utilized as a part  
3 of such projects, so long as they remain a part of a project,  
4 shall not be subject to local zoning or local regulatory  
5 ordinances; provided that if the project is located within a city  
6 or county, the university is required to consult with the city or  
7 county, prior to board of curators' approval of the master  
8 development plan or substantial amendments thereto. The city or  
9 county plan commission may hold and complete a public hearing on  
10 such plan within forty-five days of submission to the city or  
11 county and the city or county within fifteen days thereafter may  
12 issue its advisory recommendations to the curators. The curators  
13 may in their sole discretion require that project development  
14 conform to the planning, transportation, environmental, health  
15 and safety requirements of such city or county. Interests in  
16 property included in such projects may be conveyed as needed,  
17 without passage of a concurrent resolution as provided by the  
18 provisions of section 172.020. The utilization of the real  
19 property, as provided in subsection 1 of this section, is hereby  
20 deemed to be a public purpose and in furtherance of the purposes  
21 of the university. Provided such land is owned by the  
22 university, no leasehold or other interest therein, by whomsoever  
23 held, shall be separately assessed or taxed, and such real  
24 property as a whole shall be deemed the property of the curators

1 of the University of Missouri and be exempt from all forms of  
2 property tax.

3 4. For the purpose of developing and operating the project,  
4 the curators may enter into cooperative agreements, including  
5 leases, in the same manner and to the same extent that political  
6 subdivisions are authorized to enter into such agreements by the  
7 provisions of section 70.220, RSMo.

8 5. Whenever the curators' acquisition of land for such a  
9 research, development and office park project will result in  
10 displacement, relocation assistance and monetary benefits  
11 identical to those provided by subchapter II of the Uniform  
12 Relocation Assistance and Real Property Acquisition Policies Act  
13 of 1970, 42 U.S.C. 4621 et seq., and its implementing regulations  
14 shall be afforded to each displaced occupant or entity.

15 6. Notwithstanding the exemption of the curators of the  
16 University of Missouri from municipal regulation and the  
17 provisions of subsection 3 of this section, any entity acting  
18 pursuant to a lease or cooperative agreement with the curators  
19 may request that permits, licenses and certificates be issued by  
20 a city or county where a project is to be located in order to aid  
21 in the construction, operation and financing of such project.  
22 Such permits, licenses and certificates may be issued by the city  
23 or county after review and approval of plans submitted by an  
24 architect or engineer licensed to practice in the state of



1 Missouri. Any entity may also request that inspections be  
2 conducted by such city or county if such activities are normally  
3 performed by the city or county in the enforcement of its  
4 building code.

5 7. Such doctrines of sovereign and official immunity and  
6 the public duty doctrines as now exist for the issuance of  
7 permits, licenses, certificates and performance of inspections  
8 shall apply to any city, county or official or employee thereof  
9 issuing permits, licenses, and certificates or performing  
10 inspections pursuant thereto with respect to any claim brought  
11 for damages as a result of the wrongful or negligent issuance of  
12 such permit, license or certificate or the performance of  
13 inspections.

14 8. The exemption from assessment and taxation provided by  
15 subsection 3 of this section for leaseholds in property owned by  
16 the university in a research park project shall not be available  
17 for leases entered into from and after August 28, 1996.  
18 Notwithstanding the foregoing and any provision of this section  
19 to the contrary, all leaseholds in property in such parks leased  
20 by the university to tenants for research, development, office or  
21 any other nonrecreational use prior to August 28, 1996, including  
22 leaseholds created after August 28, 1996, under options or  
23 similar rights which were granted prior to January 1, 1996, shall  
24 be exempt from assessment and taxation for the term of such

1 lease, provided that leaseholds in property used for recreational  
2 purposes shall be subject to assessment and taxation as  
3 determined by the assessor of the local political subdivision,  
4 and all lands and improvements in such parks, by whomsoever  
5 owned.

6 177.086. 1. Any school district authorizing the  
7 construction of facilities which may exceed an expenditure of  
8 [twelve thousand five hundred] fifteen thousand dollars shall  
9 publicly advertise, once a week for two [successive] consecutive  
10 weeks, in a newspaper of general [publication] circulation,  
11 qualified pursuant to chapter 493, RSMo, located within the  
12 [county] city in which [said] the school district is located, or  
13 if there be no such newspaper, in a qualified newspaper of  
14 general [publication] circulation in the county, or if there be  
15 no such newspaper, in a qualified newspaper of general  
16 circulation in an adjoining county, and may advertise in  
17 business, trade, or minority newspapers, for bids on said  
18 construction.

19 2. No bids shall be entertained by the school district  
20 which are not made in accordance with the specifications  
21 furnished by [them] the district and all contracts shall be let  
22 to the lowest responsible bidder complying with the terms of the  
23 letting, provided that the [said school] district shall have the  
24 right to reject any and all bids.

1           3. All bids must be submitted sealed and in writing, to be  
2 opened publicly at time and place of the district's choosing.

3           324.245. 1. The board is authorized to promulgate rules  
4 and regulations regarding:

5           (1) The content of license applications and the procedures  
6 for filing an application for an initial or renewal license in  
7 this state;

8           (2) The content, conduct and administration of the  
9 licensing examination required by section 324.265;

10          (3) Educational requirements for licensure, including, but  
11 not limited to, provisions that allow clock hours of supervised  
12 instruction at a vocational technical school;

13          (4) The standards and methods to be used in assessing  
14 competency as a massage therapist;

15          (5) All applicable fees, set at an amount which shall not  
16 substantially exceed the cost and expense of administering  
17 sections 324.240 to 324.275; and

18          (6) Establishment of procedures for granting reciprocity  
19 with other states, including states which do not have massage  
20 therapy licensing laws or states whose licensing laws are not  
21 substantially the same as those of this state.

22          2. All funds received by the board pursuant to the  
23 provisions of sections 324.240 to 324.275 shall be collected by  
24 the director who shall transmit the funds to the department of

1 revenue for deposit in the state treasury to the credit of the  
2 "Massage Therapy Fund" which is hereby created. Notwithstanding  
3 the provisions of section 33.080, RSMo, to the contrary, money in  
4 this fund shall not be transferred and placed to the credit of  
5 general revenue until the amount in the fund at the end of the  
6 biennium exceeds three times the amount of the appropriation from  
7 the fund for the preceding fiscal year.

8 3. Any rule or portion of a rule, as that term is defined  
9 in section 536.010, RSMo, that is promulgated to administer and  
10 enforce sections 324.240 to 324.275, shall become effective only  
11 if the agency has fully complied with all of the requirements of  
12 chapter 536, RSMo, including but not limited to, section 536.028,  
13 RSMo, if applicable, after August 28, 1998. If the provisions of  
14 section 536.028, RSMo, apply, the provisions of this section are  
15 nonseverable and if any of the powers vested with the general  
16 assembly pursuant to section 536.028, RSMo, to review, to delay  
17 the effective date, or to disapprove and annul a rule or portion  
18 of a rule are held unconstitutional or invalid, the purported  
19 grant of rulemaking authority and any rule so proposed and  
20 contained in the order of rulemaking shall be invalid and void,  
21 except that nothing in this section shall affect the validity of  
22 any rule adopted and promulgated prior to August 28, 1998.

23 393.310. 1. This section shall only apply to gas  
24 corporations as defined in section 386.020, RSMo. This section

1 shall not affect any existing laws and shall only apply to the  
2 program established pursuant to this section.

3 2. As used in this section, the following terms mean:

4 (1) "Aggregate", the combination of natural gas supply and  
5 transportation services, including storage, requirements of  
6 eligible school entities served through a Missouri gas  
7 corporation's delivery system;

8 (2) "Commission", the Missouri public service commission;  
9 and

10 (3) "Eligible school entity" shall include any  
11 seven-director, urban or metropolitan school district as defined  
12 pursuant to section 160.011, RSMo, and shall also include, one  
13 year after July 11, 2002, and thereafter, any school for  
14 elementary or secondary education situated in this state, whether  
15 a charter, private, or parochial school or school district.

16 3. Each Missouri gas corporation shall file with the  
17 commission, by August 1, 2002, a set of experimental tariffs  
18 applicable the first year to public school districts and  
19 applicable to all school districts, whether charter, private,  
20 public, or parochial, thereafter.

21 4. The tariffs required pursuant to subsection 3 of this  
22 section shall, at a minimum:

23 (1) Provide for the aggregate purchasing of natural gas  
24 supplies and pipeline transportation services on behalf of

1 eligible school entities in accordance with aggregate purchasing  
2 contracts negotiated by and through a not-for-profit school  
3 association;

4 (2) Provide for the resale of such natural gas supplies,  
5 including related transportation service costs, to the eligible  
6 school entities at the gas corporation's cost of purchasing of  
7 such gas supplies and transportation, plus all applicable  
8 distribution costs, plus an aggregation and balancing fee to be  
9 determined by the commission, not to exceed four- tenths of one  
10 cent per therm delivered during the first year; and

11 (3) Not require telemetry or special metering, except for  
12 individual school meters over one hundred thousand therms  
13 annually.

14 5. The commission may suspend the tariff as required  
15 pursuant to subsection 3 of this section for a period ending no  
16 later than November 1, 2002, and shall approve such tariffs upon  
17 finding that implementation of the aggregation program set forth  
18 in such tariffs will not have any negative financial impact on  
19 the gas corporation, its other customers or local taxing  
20 authorities, and that the aggregation charge is sufficient to  
21 generate revenue at least equal to all incremental costs caused  
22 by the experimental aggregation program. Except as may be  
23 mutually agreed by the gas corporation and eligible school  
24 entities and approved by the commission, such tariffs shall not

1 require eligible school entities to be responsible for pipeline  
2 capacity charges for longer than is required by the gas  
3 corporation's tariff for large industrial or commercial basic  
4 transportation customers.

5         6. The commission shall treat the gas corporation's  
6 pipeline capacity costs for associated eligible school entities  
7 in the same manner as for large industrial or commercial basic  
8 transportation customers, which shall not be considered a  
9 negative financial impact on the gas corporation, its other  
10 customers, or local taxing authorities, and the commission may  
11 adopt by order such other procedures not inconsistent with this  
12 section which the commission determines are reasonable or  
13 necessary to administer the experimental program.

14         7. This section shall terminate June 30, 2005.

15         Section 1. 1. Beginning with the 2004-2005 school year and  
16 for each school year thereafter, every public and private  
17 institution of higher education in this state shall require all  
18 students who reside in on-campus housing to sign a written waiver  
19 stating that the institution of higher education has provided the  
20 student, or if the student is a minor, the student's parents or  
21 guardian, with detailed written information on the risks  
22 associated with meningococcal disease and the availability and  
23 effectiveness of the meningococcal vaccine.

24         2. Any student who elects to receive the meningococcal

1 vaccine shall not be required to sign a waiver referenced in  
2 subsection 1 of this section and shall present a record of said  
3 vaccination to the institution of higher education.

4 3. Each public and private university or college in this  
5 state shall maintain records on the meningococcal vaccination  
6 status of every student residing in on-campus housing at the  
7 university or college, including any written waivers executed  
8 pursuant to subsection 1 of this section.

9 4. Nothing in this section shall be construed as requiring  
10 any institution of higher education to provide or pay for  
11 vaccinations against meningococcal disease.

12 Section B. Because immediate action is necessary to  
13 adequately fund the public schools of this state, the repeal and  
14 reenactment of sections 165.011 and 165.016 of section A of this  
15 act is deemed necessary for the immediate preservation of the  
16 public health, welfare, peace and safety, and the repeal and  
17 reenactment of sections 165.011 and 165.016 is hereby declared to  
18 be an emergency act within the meaning of the constitution, and  
19 the repeal and reenactment of sections 165.011 and 165.016 of  
20 section A of this act shall be in full force and effect upon its  
21 passage and approval.